

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUREAU
CORPORATION FILE

Walgreens

ANNUAL REPORT

1967



TO OUR SHAREOWNERS:

December 8, 1967

Both sales and earnings rose to new records during our fiscal year that ended on September 30.

Sales reached \$559,424,769 for this fiscal year, compared with \$501,616,430 for the preceding year, an increase of 11.5%. Earnings amounted to \$1.95 per share, compared with \$1.67 per share, an increase of 16.8%. The earnings per share are based upon the increased number of shares created by the two-for-one stock split recently approved by our shareowners.

During the past year we acquired the Payless Drug Stores in New Mexico, as well as Midland Drug Co. and Odessa Drug Co. of Texas. These acquisitions were accounted for on a "poolings of interests" basis and, accordingly, our 1967 figures include the results of their operations for the full year. Because of the recent acquisition of the latter two companies, the 1966 figures were restated to include these companies as well as Payless Drug Co., which had not heretofore been included.

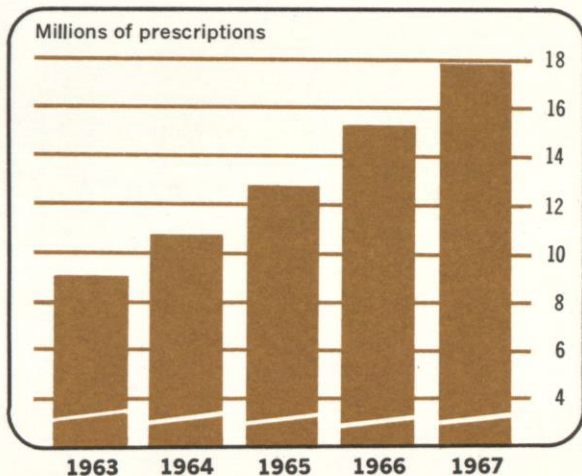


Walgreens ... Number One Pharmacist to the Nation

The scene at right was repeated almost *18 million* times this year, as Walgreens filled more prescriptions than any other firm in the nation. Our formula is simple: Complete pharmacy service, highest professional standards, low price. It has earned us the good will of the medical profession, the loyalty of the public.

We proudly dedicate this first page of our report to the Pharmacists of Walgreens.

5 Years of Growth in PRESCRIPTIONS FILLED:



HIGHLIGHTS OF 1967:

	<u>1967</u>	<u>1966</u>	<u>%</u>
SALES.....	\$559,424,769	\$501,616,430	+11.5
EARNINGS before income taxes.....	20,789,370	18,330,943	+13.4
NET EARNINGS....	12,389,370	10,592,943	+17.0

Per Share of Common Stock:

NET EARNINGS....	\$ 1.95	\$ 1.67
DIVIDENDS PAID..	.70	.65
SHAREOWNERS' EQUITY.....	12.84	11.62

Note: 1966 figures have been restated to reflect the poolings of interests of companies acquired during fiscal 1967, and per-share figures for both years have been adjusted to reflect the 2-for-1 stock split in 1967.

Your December 12, 1967 dividend will mark our 140th consecutive quarterly dividend payment.

Walgreen Co. GENERAL OFFICES
4300 Peterson Avenue, Chicago, Illinois 60646



At the close of our fiscal year we were operating 529 stores, consisting of 509 drug stores, 14 Globe self-service department stores, and 6 Danburg junior department stores. Our expansion program continued at a strong pace with the opening of 33 new drug stores (3 are replacements and 2 are in temporary locations) and 3 Globe department stores, together with the acquisition of 7 stores. 25 stores were closed, including those replaced. A large number of stores were remodeled—some very substantially—including 2 conversions to self-service. Early in the year we opened a large warehouse distribution center in Houston, Texas. It appears that our expansion will move at an even faster rate during the current year.

Mr. C. W. Mulaney retired from his administrative duties as Vice President of Marketing at the close of our fiscal year; he remains a Director and his valuable services continue to be available to us on a consulting basis.

Your Board of Directors, at its meeting last month, raised dividends for the fifth consecutive year. Beginning with the current December payment, the quarterly rate will be 22½¢ per share, which is a 28% increase over our former rate.

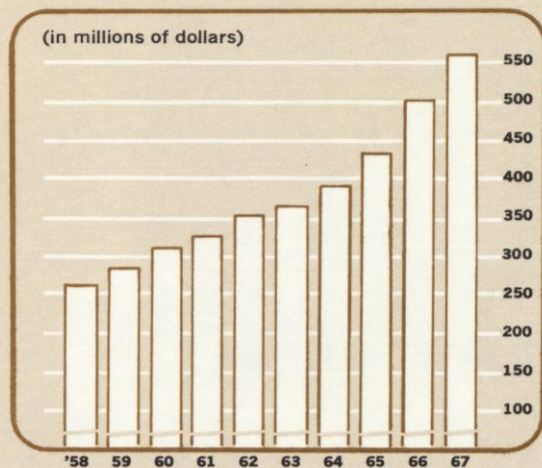
We wish to thank all the folks in our organization for the teamwork and dedication that brought this past year to a new record of achievement. Indications at present point to another year of growth.

A. A. Borg
President

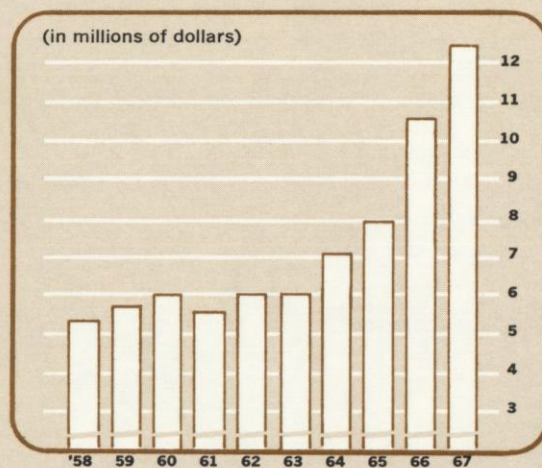
C. W. Mulaney
Chairman of the Board

10 YEAR PROGRESS REVIEW

NET SALES and other store income



NET EARNINGS



YEAR ended Sept. 30	NET SALES and other store income	NET EARNINGS	CASH DIVIDENDS PAID	RETAINED EARNINGS	DEPRECIATION & AMORTIZATION	PER SHARE		
						EARNINGS (2)	DIVIDENDS PAID (3)	BOOK VALUE (2)
IN THOUSANDS OF DOLLARS						IN DOLLARS		
1967	\$559,425	\$12,389	\$4,616	\$7,773	\$4,431	\$1.95	\$.70	\$12.84
1966 ⁽⁴⁾	501,616	10,593	4,284	6,309	3,782	1.67	.65	11.62
1965	432,511	8,015	3,707	4,308	3,337	1.30	.60	10.56
1964	391,326	7,127	3,083	4,044	3,136	1.16	.50	9.86
1963	366,748	6,028	2,451	3,577	2,973	.98	.40	9.21
1962	353,144	5,978	2,573 ⁽¹⁾	3,405	2,742	.98	.40 ⁽¹⁾	8.66
1961	331,666	5,594	2,519 ⁽¹⁾	3,075	2,471	.95	.40 ⁽¹⁾	8.27
1960	312,365	6,011	2,416 ⁽¹⁾	3,595	2,251	1.03	.40 ⁽¹⁾	7.76
1959	285,079	5,772	2,284 ⁽¹⁾	3,488	2,087	1.00	.40 ⁽¹⁾	7.14
1958	259,898	5,313	2,456	2,857	1,929	.93	.48	6.54

(1) Plus payment of 3% stock dividend.

(2) Based on common shares outstanding at year-end, adjusted for effect of two-for-one stock splits in 1967 and 1963 and 3% stock dividends paid in 1962, 1961, 1960 and 1959.

(3) Adjusted for two-for-one stock splits in 1967 and 1963.

(4) 1966 figures have been restated to reflect the poolings of interests of companies acquired during fiscal 1967.

CONSOLIDATED STATEMENTS — For the Years Ended
September 30, 1967 and 1966

	<u>1967</u>	<u>1966</u>
EARNINGS		
NET SALES AND OTHER STORE INCOME	<u>\$559,424,769</u>	<u>\$501,616,430</u>
COSTS AND DEDUCTIONS:		
Cost of sales.....	403,956,793	362,769,288
Selling, occupancy and administration.....	132,285,186	118,425,478
Contribution to Employees' Profit-Sharing Retirement Trust.....	2,393,420	2,090,721
Federal and state income taxes.....	<u>8,400,000</u>	<u>7,738,000</u>
	<u>547,035,399</u>	<u>491,023,487</u>
NET EARNINGS	<u>\$ 12,389,370</u>	<u>\$ 10,592,943</u>
NET EARNINGS PER COMMON SHARE		
(based upon shares outstanding at end of each year).....	<u>\$1.95</u>	<u>\$1.67*</u>
RETAINED EARNINGS		
BALANCE , beginning of year.....	\$ 50,159,944	\$ 43,850,863
Net earnings.....	12,389,370	10,592,943
Cash dividends:		
Walgreen Co. (\$.70* per share in 1967 and \$.65* in 1966).....	(4,378,750)	(4,022,862)
Dividends of acquired companies prior to acquisition.....	(237,000)	(261,000)
BALANCE , end of year.....	<u>\$ 57,933,564</u>	<u>\$ 50,159,944</u>
SOURCE AND APPLICATION OF FUNDS		
SOURCE OF FUNDS:		
Net earnings.....	\$ 12,389,370	\$ 10,592,943
Depreciation and amortization.....	4,431,007	3,781,991
Increase in deferred Federal income taxes.....	660,000	580,000
Increase in long-term debt, net.....	1,777,380	—
Proceeds from stock options exercised.....	123,916	98,846
	<u>\$ 19,381,673</u>	<u>\$ 15,053,780</u>
APPLICATION OF FUNDS:		
Net additions to property and equipment.....	\$ 6,536,657	\$ 10,964,327
Cash dividends paid.....	4,615,750	4,283,862
Decrease in long-term debt.....	—	1,071,580
Additional investment in affiliated and other companies.....	53,115	35,932
Increase (decrease) in working capital.....	<u>8,176,151</u>	<u>(1,301,921)</u>
	<u>\$ 19,381,673</u>	<u>\$ 15,053,780</u>

*Adjusted for 2-for-1 stock split in 1967.

CONSOLIDATED BALANCE SHEET

ASSETS

	<u>September 30 1967</u>	<u>September 30 1966</u>
CURRENT ASSETS:		
Cash.....	\$ 7,850,817	\$ 5,669,094
Marketable securities, at cost, which approximates market.....	997,698	4,805,893
Accounts receivable, less reserves for doubtful accounts of \$512,000 in 1967 and \$502,000 in 1966.....	7,489,784	7,101,686
Inventories, at the lower of cost or market, less reserves.....	89,753,000	76,363,286
Prepaid rent, insurance, taxes, etc.....	1,705,034	1,537,699
TOTAL CURRENT ASSETS	<u>107,796,333</u>	<u>95,477,658</u>
INVESTMENTS IN AFFILIATED AND OTHER COMPANIES, at cost (equity in underlying book values or market value \$8,931,000 in 1967 and \$6,956,000 in 1966)	<u>2,654,591</u>	<u>2,601,476</u>
PROPERTY AND EQUIPMENT, at cost:		
Land.....	1,949,782	2,716,591
Buildings including improvements to leased properties.....	11,185,362	10,601,894
Equipment.....	54,192,986	50,470,341
	<u>67,328,130</u>	<u>63,788,826</u>
Less—Reserves for depreciation and amortization.....	25,541,830	24,108,176
NET PROPERTY AND EQUIPMENT	<u>41,786,300</u>	<u>39,680,650</u>
GOODWILL, at nominal value	<u>1</u>	<u>1</u>
	<u><u>\$152,237,225</u></u>	<u><u>\$137,759,785</u></u>

The accompanying notes to consolidated financial

LIABILITIES

	<u>September 30 1967</u>	<u>September 30 1966</u>
CURRENT LIABILITIES:		
Trade accounts payable.....	\$ 23,830,416	\$ 20,010,604
Accrued expenses and other liabilities.....	14,013,591	12,348,041
Federal and state income taxes.....	4,953,658	5,360,329
Current maturities of long-term debt.....	1,135,413	1,071,580
Note payable.....	—	1,000,000
TOTAL CURRENT LIABILITIES	<u>43,933,078</u>	<u>39,790,554</u>
 LONG-TERM DEBT, less current maturities shown above (Note 2):		
Notes payable to banks.....	14,875,000	15,750,000
Mortgages payable.....	8,827,928	6,175,548
TOTAL LONG-TERM DEBT	<u>23,702,928</u>	<u>21,925,548</u>
 DEFERRED FEDERAL INCOME TAXES (arising from accelerated depreciation).....		
	<u>3,030,000</u>	<u>2,370,000</u>
 SHAREOWNERS' EQUITY:		
Common stock, \$2.50 par value, authorized 10,000,000 shares; issued and outstanding 6,352,884 in 1967 and 6,342,852 in 1966, at stated value (Notes 3 and 5).....	23,637,655	23,513,739
Retained earnings (Note 2).....	57,933,564	50,159,944
TOTAL SHAREOWNERS' EQUITY	<u>81,571,219</u>	<u>73,673,683</u>
	<u>\$152,237,225</u>	<u>\$137,759,785</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. POOLINGS OF INTERESTS: During the year ended September 30, 1967, the Company acquired the capital stock of three retail drug companies in exchange for 151,484 shares (adjusted for 2-for-1 stock split in 1967) of its previously unissued common stock. These transactions have been accounted for on a poolings of interests basis and accordingly, the financial statements for the prior year have been restated to reflect the operations of these companies.

2. LONG-TERM DEBT: The 4¾% notes payable to banks are due in annual principal installments of \$875,000 through 1974 and \$9,625,000 in 1975. Under the terms of the loan agreement, (a) \$21,433,642 of consolidated retained earnings at September 30, 1967, is not available for payment of cash dividends, or for repurchase of the Company's stock, and (b) consolidated net current assets must be at least \$25,000,000. Consolidated net current assets, as defined, are \$64,248,090 at September 30, 1967.

At September 30, 1967, the Company had mortgages payable on certain store and warehouse properties at interest rates ranging from 4¾% to 5¾%. These mortgages provide for monthly payments of principal and interest and become fully paid during the years 1982 to 1993. The annual payments for each of the next five years amount to \$712,076.

3. STOCK OPTIONS: During the year ended September 30, 1967, the remaining balance of the options for 10,032 shares of common stock (adjusted for 2-for-1 stock split in 1967) granted under the Restricted Stock Option Plan terminating December 31, 1967, were exercised.

4. LEASE OBLIGATIONS: At September 30, 1967, the Company and its subsidiaries had 468 leases expiring more than three years after that date (some of which contain percentage rental clauses) with minimum annual rentals of approximately \$10,966,000.

5. CAPITAL STOCK: On September 21, 1967, the shareowners approved a 2-for-1 split of the Company's common stock to shareowners of record at September 22, 1967, a reduction in par value from \$5 to \$2.50 per share and an increase in authorized shares from 5,000,000 to 10,000,000 shares.

At the same meeting, the shareowners approved the authorization of 1,000,000 shares of a \$1 per share par value preferred stock, issuable in series. The rights of this preferred stock as to dividends, redemption and liquidation will be determined when, as and if issued.

AUDITORS' REPORT

ARTHUR ANDERSEN & CO.

CHICAGO, ILLINOIS

To the Board of Directors and
Shareowners, WALGREEN CO.:

We have examined the consolidated balance sheet of WALGREEN CO. (an Illinois corporation) AND SUBSIDIARIES as of September 30, 1967, and the related consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of earnings, retained earnings and source and application of funds present fairly the financial position of Walgreen Co. and Subsidiaries as of September 30, 1967, and the results of their operations and the sources and application of funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Chicago, Illinois,
November 10, 1967

Arthur Andersen & Co.

SHAREOWNERS' FACT SHEET:

—as of September 30, 1967

■ **THE COMPANY:** Walgreens was founded in 1901. Currently, Walgreen Co. operates the nation's largest chain of drug stores (509), 14 Globe department stores, 6 Danburg junior department stores—a total of 529 stores. Units are located in 34 states and Puerto Rico.

■ **WALGREEN SUPER CENTERS:** These are very large self-service drug stores, ranging from 20,000 to 45,000 sq. ft. overall. Three prototype units opened in 1964-1965, rapidly proved successful, and nine are in operation to date.

■ **GLOBE DIVISION:** In 1962, Walgreens acquired the Globe-Danburg companies, owners of 3 Globe department stores and 7 Danburg junior department stores in Houston, Texas. Subsequently, 11 additional Globe units have been opened. These Globe "Shopping Cities" average over 100,000 sq. ft. overall.

■ **SANBORNS STORES, MEXICO:** 49% owned, and under Walgreen management, our celebrated Mexican affiliate operates 10 retail stores and restaurants in Mexico City and Acapulco, plus candy and drug manufacturing, as well as wholesaling operations. Two new stores were added in fiscal 1967, one in Mexico City, one in Acapulco.

■ **WALGREEN AGENCY DIVISION:** Through the Walgreen Agency franchise, some 1900 independently-owned, progressive drug stores share the benefits of Walgreen techniques in store-design, merchandising, advertising. They also sell our Walgreen Products, and thereby greatly expand our manufacturing scope. Agency stores, dotting the map from Alaska to Florida and Maine to Guam, carry our name and products to many areas not served by our own stores.

■ **MANUFACTURING LABORATORY:** Located in Chicago, it produces over 300 fine quality drugs, toiletries, and home products for sale exclusively in Walgreen, Globe and Walgreen Agency stores.

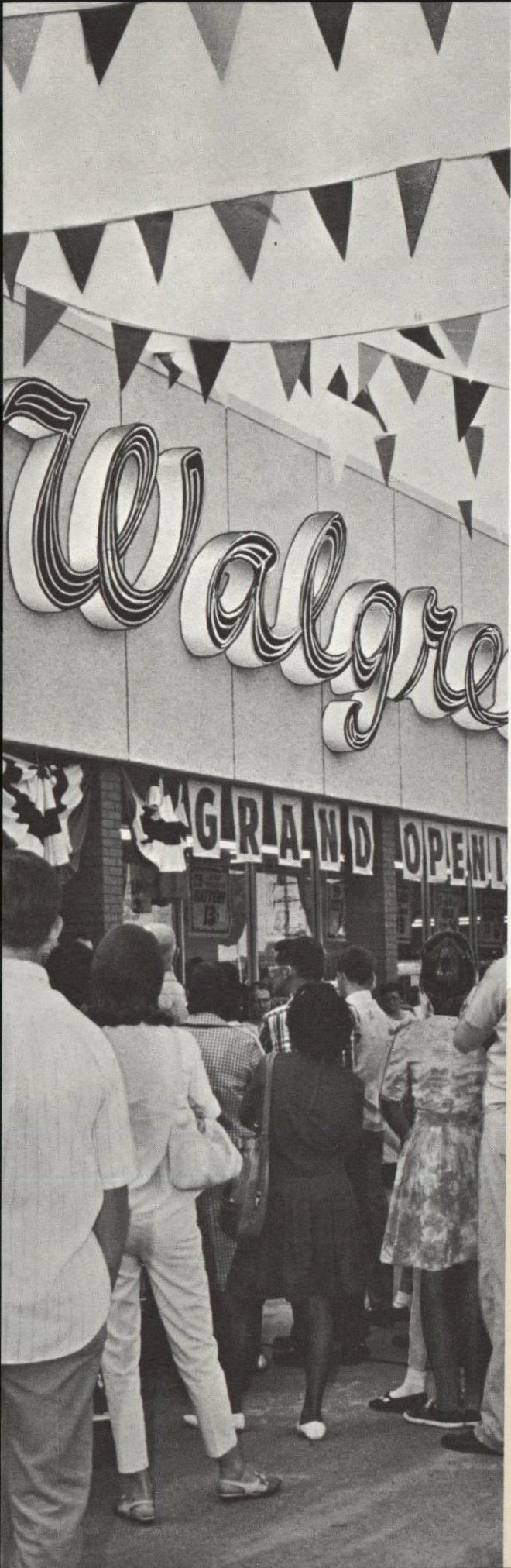
■ **AUXILIARY OPERATIONS:** Additionally, the Company operates such manufacturing and service departments as: Ice Cream Plants, Food Commissaries, Coffee-Roasting Plant, Photo-Processing Studio, Display and Sign Shop, Linen and Maintenance Departments.

■ **PHYSICAL DISTRIBUTION:** Walgreens operates five major warehousing centers—in Berkeley, Ill., Chicago, Denver, Houston, Jacksonville. A sixth major center is planned for Memphis in 1968.

■ **SALES GROWTH RATE:** In the past 5 years, Walgreens has recorded a compound sales-growth rate of approximately 9% a year.

■ **EARNINGS GROWTH RATE:** In the past 5 years, Walgreens has recorded a compound earnings-per-share growth rate of approximately 14% a year.

■ **NUMBER OF SHAREOWNERS:** The 6,352,884 shares of Walgreen stock outstanding are registered in the names of 13,503 shareowners.



A Profile of



Walgreens is NEWER...

31% OF STORES NEW WITHIN 5 YEARS

52% SALES AREA INCREASE IN 5 YEARS

60% SALES INCREASE IN 5 YEARS

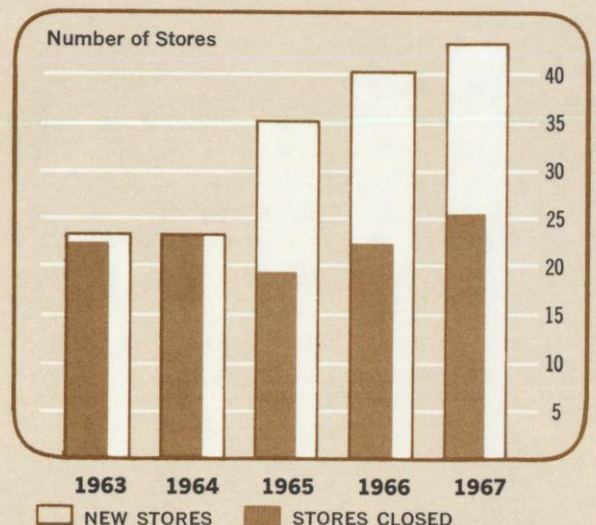
These are new-generation Walgreen Drug Stores, growing in size as well as number, accomplishing new peaks in sales, realizing new potential in profitability.

For the first time in our history, as shown in the chart at lower right, average sales per store have surpassed the million dollar mark.

Contributing to this continuing volume rise are strong performances by our fast-growing Globe department stores and our big new Walgreen Super Centers.

GROWTH is a Walgreen Trademark

5-Year Profile of STORE GROWTH



LARGER...STRONGER



43 NEW STORES OF 1967:

- ALBUQUERQUE, N.M.**, 9630 Snow Hts. Circle, NE
- BLOOMINGTON, Ill.**, Eastland Shopping Center
- BROOKFIELD (Milwaukee), Wis.**, 15740 W. Capitol Dr.
- ***CHICAGO, Ill.**, 767 Oakwood Blvd.
- CHICAGO, Ill.**, 26th & Pulaski
- CHICAGO, Ill.**, 51st & State St.
- CONCORD, Calif.**, Sun Valley Shopping Center
- FORT WAYNE, Ind.**, Glenbrook Center
- FREMONT, Neb.**, Fremont Plaza Shopping Center
- GEDDES (Syracuse), N.Y.**, Western Lights S.C.
- GLENDALE (Milwaukee), Wis.**, Bayshore Center
- JACKSON, Tenn.**, Old Hickory Mall
- JACKSONVILLE, Fla.**, Regency Square Shopping Ctr.
- LAFAYETTE, La.**, South College Shopping Center
- LAUDERHILL, Fla.**, Lauderhill Mall
- LEXINGTON, Ky.**, Turfland Mall
- MC ALLEN, Tex.**, 901 S. Tenth St. (GLOBE)
- MINNEAPOLIS, Minn.**, Arena Shopping Center
- MOBILE, Ala.**, Bel Air Shopping Center
- MOUNTAIN VIEW, Calif.**, Mountain View S.C.
- NASHVILLE, Tenn.**, Harding Mall Shopping Center
- NEW BRITAIN, Conn.**, Newbrite Plaza
- NEW HOPE, Minn.**, New Hope Shopping Center
- OMAHA, Neb.**, 5951 Ames Ave.

- ***PALO ALTO, Cal.**, 314 University
- PASADENA (Houston), Tex.**, 1004 E. Southmore (GLOBE)
- RIVER GROVE, Ill.**, Thatcher Woods Shopping Center
- ST. LOUIS, Mo.**, 500 De Baliviere Ave.
- SALT LAKE CITY, Utah**, 271 S. Main
- SAN ANTONIO, Tex.**, 7142 N. San Pedro Ave. (GLOBE)
- SOUTH PLAINFIELD, N.J.**, Golden Acres Shopping Ctr.
- TAMPA, Fla.**, West Shore Plaza
- TUCSON, Ariz.**, 1900 E. Grant Road
- TULSA, Okla.**, Springdale Shopping Center
- WEST MEMPHIS, Ark.**, Holiday Plaza Shopping Center
- WILLINGBORO, N.J.**, Willingboro Plaza

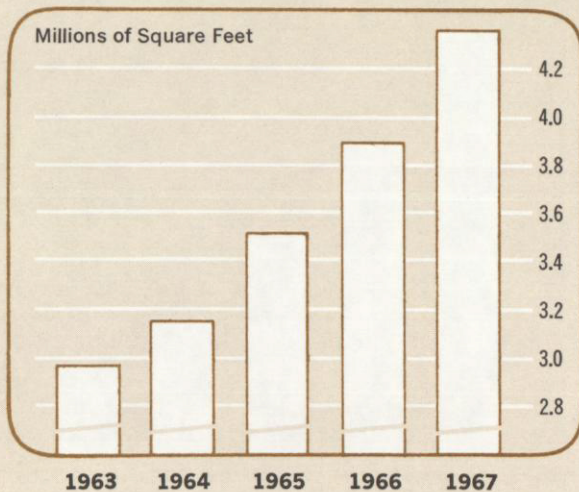
STORES ACQUIRED:

- ALBUQUERQUE, N.M.**, 318 Central Ave., S.W.
- ALBUQUERQUE, N.M.**, 4820 Central Ave., S.E.
- ALBUQUERQUE, N.M.**, 6600 Menaul, N.E.
- SANTA FE, N.M.**, 528 Cordova Rd.
- SANTA FE, N.M.**, 114 W. San Francisco St.
- MIDLAND, Tex.**, 215 Andrews
- ODESSA, Tex.**, 801 Maple

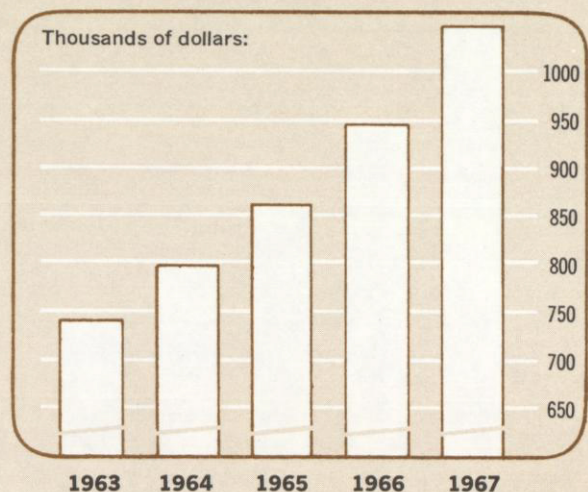
*temporary locations

... additionally, a number of stores were modernized, and 2 more converted to self-service.

5-Year Profile of Growth in
NET SELLING SPACE



5-Year Profile of Growth in
AVERAGE VOLUME PER STORE



Our Typical Walgreen Drug Store



GRAND OPENING SALE SCENE, Jackson, Mississippi, illustrates our trend to bigger—and busier—Walgreen Drug Stores. Our new 1967 units averaged over 15,000 square feet overall and nearly 10,000 square feet in net sales area.

Our BIGGEST: Globe Department Stores

GLOBE DIVISION ADDS 3 MORE UNITS IN 1967, NOW NUMBERS 14 IN 4 STATES

Our fast-growing *Globe Shopping Cities* add extra dimension to our retailing operations. These “one-stop shopping centers” generally measure over 100,000 square feet overall, feature a broad expanse of free and easy parking, generate strong customer traffic and sales.

Full-line department stores, featuring everything from drugs to fashions to major appliances, their popularity springs from a reputation for *selection, quality, value.*

Three new 1967 Globes—opened in McAllen, Pasadena, and San Antonio, Texas—met with enthusiastic public reception.



Even BIGGER: Walgreen Super Centers



THESE MASSIVE DRUG STORES, very selectively located, are proving highly successful. Nine current units—averaging over 31,000 square feet overall—offer broadened merchandising scope, return greatly expanded volume.



CURRENT DIRECTORY OF WALGREEN DRUG

ALABAMA (3)

Huntsville
Mobile (2)

ARIZONA (9)

Phoenix (6)
Tucson (3)

ARKANSAS (5)

Hot Springs
Little Rock (2)
Pine Bluff
West Memphis

CALIFORNIA (17)

Alameda
Concord
Daly City
Hayward (2)
Millbrae
Mountain View
Oakland
Palo Alto
Sacramento (2)
San Francisco (5)
San Mateo

COLORADO (19)

Arvada
Aurora
Boulder
Colorado Springs (2)
Denver (8)
Englewood
Fort Collins (2)
Lakewood
Littleton (2)

CONNECTICUT (2)

Bridgeport
New Britain

FLORIDA (38)

Bradenton
Clearwater
Daytona Beach
Fort Lauderdale (2)
Ft. Myers
Hialeah
Hollywood (2)
Jacksonville (5)
Lauderhill
Miami (6)
N. Miami Beach
Orlando (3)
Panama City
Pensacola

Riviera Beach
St. Petersburg
Sarasota
Tallahassee
Tampa (3)
West Palm Beach (3)
Winter Park

GEORGIA (10)

Atlanta (6)
Columbus (2)
Sandy Springs
Savannah

ILLINOIS (140)

Arlington Heights
Aurora
Berwyn
Bloomington (2)
Blue Island
Bridgeview
Champaign
CHICAGO (77)
Chicago Heights
Cicero
Crest Hill
Danville
Decatur (2)
Deerfield
Des Plaines (2)
Downers Grove
East St. Louis
Elk Grove Village
Eimhurst
Eimwood Park
Evanston
Evergreen Park
Galesburg
Glen Ellyn
Harvey (2)
Highland Park
Joliet
Kankakee (2)
La Grange
Lake Forest
Markham
Melrose Park
Moline (2)
Morton Grove
Mount Prospect
Niles
Norridge
Northbrook
Oak Brook
Oak Lawn
Oak Park
Park Ridge (3)
Peoria
Quincy
River Grove
Rockford
Rock Island
Schaumburg
Skokie
Springfield
Sterling
Villa Park
Waukegan (3)
Western Springs

INDIANA (18)

Anderson
East Chicago (2)
Fort Wayne (4)
Gary (4)
Hammond (2)
Logansport
Michigan City (2)
Muncie
New Albany

IOWA (9)

Bettendorf
Clinton
Council Bluffs
Davenport
Des Moines (2)
Fort Dodge
Sioux City
Waterloo

KANSAS (2)

Topeka (2)

KENTUCKY (17)

Covington
Lexington (2)
Louisville (9)
Newport
Owensboro
Paducah
Pleasure Ridge Park
St. Matthews

LOUISIANA (20)

Alexandria (2)
Arabi
Baton Rouge (2)
Lafayette
Lake Charles (2)
Metairie
Monroe
New Orleans (7)
Shreveport (3)

MASSACHUSETTS (2)

Springfield
Worcester

MICHIGAN (6)

Battle Creek
Flint (2)
Kalamazoo
Lansing
Muskegon

MINNESOTA (16)

Bloomington
Duluth (2)
Edina
Minneapolis (5)
New Hope
Richfield
St. Cloud
St. Louis Park
St. Paul (3)

MISSISSIPPI (4)

Biloxi
Jackson
Vicksburg (2)

MISSOURI (13)

Crestwood
Jennings (3)
Northwoods
Richmond Heights
St. Ann
St. Louis (6)

NEBRASKA (6)

Fremont
Lincoln (2)
Omaha (3)

NEW JERSEY (4)

East Paterson
Menlo Park
S. Plainfield
Willingboro

NEW MEXICO (8)

Albuquerque (6)
Santa Fe (2)

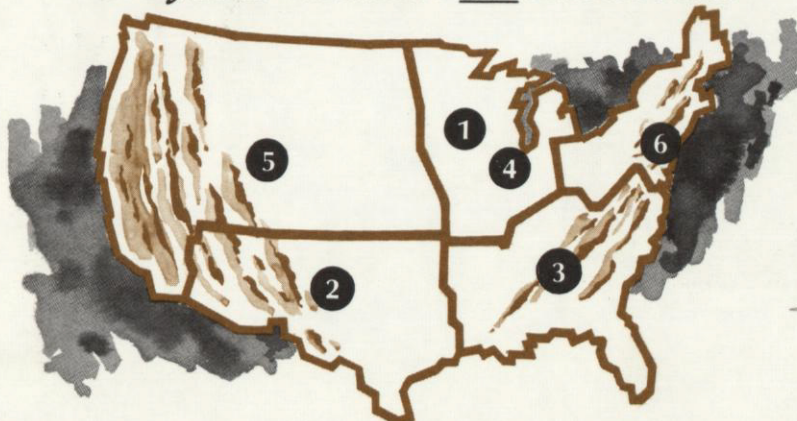
NEW YORK (13)

Albany
Bay Shore
De Witt
Geddes
Hempstead
Kingston
Massapequa Park
New Hyde Park
New York (3)
Valley Stream
Yonkers

N. CAROLINA (3)

Raleigh
Wilmington
Winston-Salem

Walgreens - THE NATION'S NAME FOR DRUG STORES



DISTRIBUTION

- 1 **MIDWEST**
(Chicago excluded)
\$140,640,143 : 25.1%
- 2 **SOUTHWEST**
\$136,917,836 : 24.5%
- 3 **SOUTHEAST**
\$123,666,564 : 22.1%

Walgreen Co.

Directors

A. A. BORG	C. W. MULANEY
SANFORD J. BOWYER	S. S. RAAB
C. R. CAMPBELL	R. L. SCHMITT
C. E. LA FRAMENTA	C. R. WALGREEN III

C. R. WALGREEN, JR.

Officers

C. R. WALGREEN, JR.
CHAIRMAN OF THE BOARD

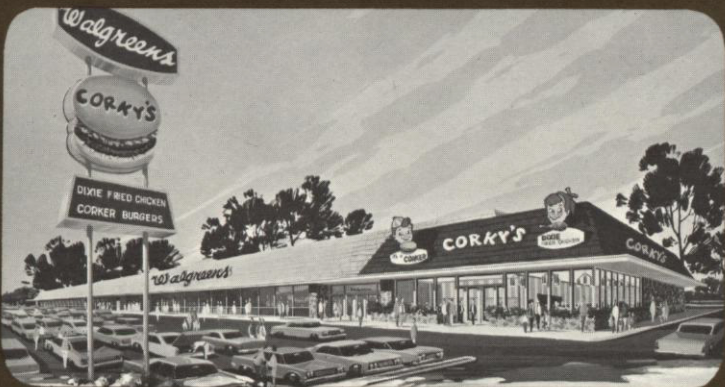
A. A. BORG PRESIDENT	W. L. ALSTRIN CONTROLLER
C. R. CAMPBELL VICE PRESIDENT, TREASURER	T. J. BARTON SECRETARY
M. R. KEPHART VICE PRESIDENT	H. W. BECKER GENERAL AUDITOR
C. E. LA FRAMENTA VICE PRESIDENT	C. D. HUNTER ASSISTANT CONTROLLER
J. MITCHELL VICE PRESIDENT	W. K. MISKE ASSISTANT SECRETARY
C. W. MULANEY VICE PRESIDENT	E. J. ROUBIK ASSISTANT TREASURER
S. S. RAAB VICE PRESIDENT	N. P. STARSHAK ASSISTANT SECRETARY
R. L. SCHMITT VICE PRESIDENT	A. W. TRAUTMAN ASSISTANT CONTROLLER, ASSISTANT SECRETARY

Transfer Agents:

THE FIRST NATIONAL BANK OF CHICAGO
MORGAN GUARANTY TRUST COMPANY, NEW YORK

Registrars:

HARRIS TRUST AND SAVINGS BANK, CHICAGO
FIRST NATIONAL CITY BANK, NEW YORK



STORES*

*As of Dec. 8, 1967

OHIO (11)

- Akron
- Cincinnati (6)
- Columbus (2)
- Springfield
- Toledo

OKLAHOMA (4)

- Tulsa (4)

S. CAROLINA (5)

- Charleston
- Columbia (2)
- Greenville (2)

S. DAKOTA (2)

- Aberdeen
- Sioux Falls

TENNESSEE (22)

- Jackson
- Knoxville
- Madison
- Memphis (14)
- Nashville (4)
- Oak Ridge

TEXAS (49)

- Abilene (2)
- Austin (2)
- Beaumont (2)
- Clear Lake City
- Corpus Christi (2)
- Dallas (2)
- El Paso (4)
- Galveston
- Houston (18)
- Lubbock
- Midland
- Odessa
- Pasadena
- Port Arthur (2)
- San Antonio (5)
- University Park
- Waco (2)
- Wichita Falls

UTAH (4)

- Murray
- Salt Lake City (3)

VIRGINIA (1)

- The Pentagon

WISCONSIN (30)

- Appleton
- Beloit (2)
- Brookfield (2)
- Cudahy
- Eau Claire
- Glendale
- Greenfield
- Kenosha
- Menasha
- Milwaukee (14)
- Racine
- Sheboygan
- Wausau
- Wauwatosa
- West Allis

WYOMING (2)

- Casper
- Cheyenne

* * *

PUERTO RICO (3)

- Bayamon
- Guaynabo
- San Juan (Rio Piedras)

* * *

GLOBE (14)

- Albuquerque, N. Mex.
- Baton Rouge, La.
- El Paso, Tex.
- Houston, Tex. (4)
- Lubbock, Tex.
- McAllen, Tex.
- Pasadena, Tex.
- Phoenix, Ariz. (2)
- San Antonio, Tex.
- Tucson, Ariz.

DANBURG (6)

- Houston, Tex. (4)
- Jacinto City, Tex.
- Victoria, Tex.

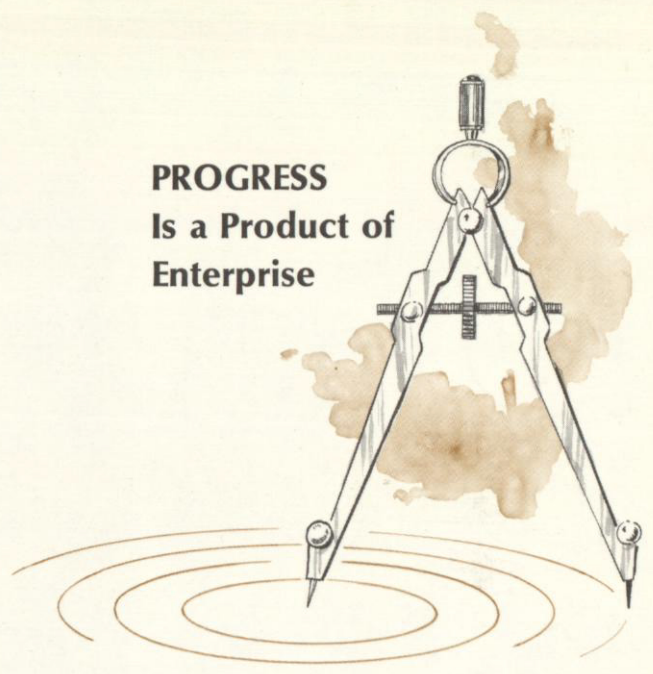
* * *

Sanborns

MEXICO (10)

- Acapulco
- Mexico City (8)
- Monterrey

PROGRESS Is a Product of Enterprise



PREVIEW, 1968:

■ **Proposed 6th Major Distribution Center** to open late '68 in Memphis, Tenn. This extensive 294,000 sq. ft. warehousing depot—our largest—will be well located to supply merchandise with greater speed and economy to our fast-expanding central-south and southern markets.

■ **Expansion Pace to Accelerate in '68** with scheduled opening of about 50 new Walgreen Drug Stores, including several giant Super Centers. 1968 promises to be our greatest growth year to date.

■ **Two More Globe Shopping Cities** to open doors in 1968... one scheduled for springtime in San Antonio, Texas, the other for Houston by early fall. Total count of Globe department stores in 1968 will reach 16.

■ **The "Corky's" Are Coming!** We plan—early in '68—to open several new "Corky's" drive-in self-service restaurants, featuring "Corker" Hamburgers and "Dixie-Fried" Chicken. The performance of these initial pilot operations will determine the degree of our further expansion in this field. First units will be adjacent to our stores in Elmhurst, Ill., and New Orleans, La.

OF SALES

- 4** CHICAGO, ILL.
\$79,098,351 : 14.1%
- 5** WESTERN
\$46,365,793 : 8.3%
- 6** EASTERN
\$32,736,082 : 5.9%

